

Chapter 8

**“Creating a Buying Vision and Process
Energizing the Sales Process”**

Chapter Objectives

- Understand the business investment priorities and drivers
- Be able to identify opportunities and turn them into leads
- Learn which industries have an On Demand Business opportunity
- Learn how to set the client expectation of business value with IBM solutions
- Learn how to respond to the competition

Business Investment Priorities and Drivers

- Areas that are a priority for investment:
 - Infrastructure and security
 - Backup and recovery
 - Standardization of IT processes
 - Streamlining inventory management
 - Forecasting costs
 - Integration and fulfillment management
 - Employee enablement
- A few elements that drive solution decisions clients require:
 - Better information to employees
 - Collaboration across the Internet
 - Focus on core competencies within any organization
 - Minimized risk and improved management control
 - Intense focus on expense management and cost reductions
 - Corporate consolidations, mergers, and acquisitions

Opportunity Identification, Qualification, and Conversion into a Lead

- Great opportunities start with strong sales leads.
- When developing your first client profile, focus on demographics or “hard data” and consider the attitude and values of your best client.

- Swift funnel: the process of prioritizing your activity with leads and closing opportunities and then creating new leads.
- Funnel management: the process of qualifying and prioritizing activities with prospects that lead to closing opportunities.
- Strong lead: a potential opportunity where the client's vital signs are strong and will favor IBM.
- Vital signs: good indicators of the likelihood your prospect will take action to buy.

Clients want an On Demand Business strategy that leverages people, processes, relationships, and technology infrastructure to achieve their revenue goals and expense reductions.

During this stage, the Solution Advisor needs to focus on:

- Preparing with prospecting and demand-generation activities
 - Solution Advisors need to develop or maintain proficiency with:
 - Industry trends
 - Terminology
 - Directions and issues
 - All sellers should:
 - Be conversant in IBM points of view
 - Maintain an appropriate level of proficiency with current IBM solutions

- Getting to know your client
 - Territory planning helps you to become more familiar with your client set and the possibilities for IBM partnership and solutions to address client needs
 - Team IBM should be familiar with:
 - Scope of the territory
 - Targeted accounts
 - Specific solution areas (CRM, SCM, etc.)
 - Specific emerging growth opportunities (wireless applications, digital media, etc.)
 - Specific brand challenges
 - Chances of succeeding are better when there is a complete understanding of:
 - The client's business
 - IBM's points-of-view: client scenarios that illustrate how similar business issues have been addressed

On Demand Business Opportunity in the Industries

- The Solution Advisor:
 - Must understand the key industries that are driving the On Demand Business opportunity, industry trends, terminology, and the key IBM plays for those industries.
 - Should understand the critical industry issues and trends. Their goal is to become a trusted advisor to their clients and build teams using IBM and our Business Partner solution.

Banking Industry On Demand Business Opportunity

As an On Demand Business, the banking industry will be able to sense and respond to market change.

Benefits for clients:

- Increased cross sales
- Improved client insight
- Integration of delivery channels
- Improved client service
- Reduced costs
- Enhanced ability to develop new products and services

Key Plays:

- Core banking
- Customer Relationship Management
- Branch automation
- Document and check imaging
- Business intelligence
- Internet banking
- ATMs
- BCS On Demand Business Workshop

Healthcare Industry On Demand Business Opportunity

As an On Demand Business, the healthcare industry is one who processes connect key stakeholders, suppliers, staff, and payers so that all can respond quickly to any demand or opportunity.

Benefits for clients:

- More staff productivity
- Improved patient safety
- Increased revenue
- Greater client retention
- Greater staff retention
- Better quality of patient care

Key Plays:

- Information on demand
- Human capital solutions
- Portal broker services
- Wireless and mobility solutions
- Finance and administration transformation
- Strategic outsourcing
- Payer services offering

Industrial On Demand Business Opportunity

As an On Demand Business, industrial will be able to help clients become more competitive in the global marketplace.

Benefits for clients:

- Technology investments that are tied closer to business processes and results
- Technology that becomes more cost-effective to acquire and implement
- A supply chain that is truly integrated

Key Plays:

- ERP (the backbone solution)
- SCM, CRM, PLM-advanced application
- Wireless and security infrastructure

Insurance On Demand Business Opportunity

As an On Demand Business, insurance will be a fully integrated business process, stretching from end to end across the company, and that can respond quickly to client demands and market opportunities.

Benefits for clients:

- Better client service
- Ease of doing business
- The ability to introduce new products and services faster with greater success
- The ability to support new products and markets with flexible infrastructure that scales rapidly to meet market demand

Key Plays:

- Business Transformation
 - Express portfolio
 - Start Now solutions
 - Business consulting and workshops
 - Insurance Institute for Traffic Safety
 - BI
- Operating Environment
 - IBM eServer and storage
 - Integration middleware, Websphere Business Integration
 - Resilient infrastructure
 - Open systems (Linux)
- FFDO
 - On Demand hosting
 - Storage on demand
 - Application hosting for various ISV's
 - Total usage financing

Life Sciences On Demand Business Opportunity

As an On Demand Business, life science companies will become more productive – where deep analysis can turn data into life-saving insight.

Benefits for clients:

- Reduce the costs of IT infrastructure and improve the asset utilization
- Migrate from a fixed cost to a variable cost business structure
- Increase efficiency and eliminate IT complexity, allowing researchers to focus on core activities
- Increase productivity with processes that are responsive to new opportunities
- Improve collaboration and resilience in a 24x7 environment; repel threats and adapt to technical advancement

Key Plays:

- Discovery on demand
 - High performance computing (HPC) and storage on demand
 - Long-term records management on demand
- Clinical development on demand
 - Electronic data capture on demand
- Regulatory compliance on demand
 - Document management on demand
- Business management on demand
 - ERP on demand

Retail On Demand Business Opportunity

As an On Demand Business, retail will be able to successfully compete in the marketplace.

Benefits for clients:

- Motivate shoppers, build loyalty, increase wallet share, and streamline store operations to grow top-line revenues
- Boost employee and store manager productivity, retention, and performance using mobile tools to help them make better decisions on schedule and training
- Improve margins through higher inventory turns, optimized pricing, and reduce costs by collaborating with key suppliers and internal departments

Key Plays:

- Client-centric retailing (connecting stores to headquarters)
- On Demand Business workplace (access to human resources, training, pricing, inventory, and key performance indicators)
- Trading partner collaboration

Service On Demand Business Opportunity

As an On Demand Business, service businesses will be responsive to client needs and stakeholders expectations. Helps them to focus on acquiring new clients while servicing existing relationships and helps them adapt to growing and changing business environments.

Benefits for clients:

- Increase productivity and work product quality while lowering the cost of doing business
- Communicate and collaborate more quickly and effectively with clients
- Ensure client data is always available, secure, and safe
- Streamline overall IT management and boost staff productivity

Key Plays:

- Document management
- Knowledge management/information on demand
- Litigation tools
- Financial and accounting applications
- Portal, Internet, and extranet
- Compliance
- ERP, the backbone solution
- SCM, CRM, AND PLM-advanced applications
- Wireless and security infrastructure

Wholesale On Demand Business Opportunity

As an On Demand Business, wholesale companies can respond rapidly to end consumer safety issues and conform to government regulatory requirements. The business establishes a framework for real-time business performance management, business risk management, content management, and data integrity.

Benefits for clients:

- Optimize inventory to maximize their service level while minimizing carrying cost
- Maximize profitability by identifying profitable and unprofitable clients and product lines so that they may take action
- Increase profits by quickly identifying and responding to changes incurred from economic conditions, clients, suppliers, or even weather
- Increase revenues by increasing client loyalty and high client satisfaction through operation excellence
- Reduce operating costs by streamlining business processes through information sharing and collaboration with key suppliers, clients, and internal departments

Key Plays:

- ERP, Business Management System (BMS)
- SCM, BI, and CRM
- Wireless and security

Setting the Client Expectations of Business Value with IBM Solutions

- To set realistic client expectations, you need to see the world through your client's eyes. Sellers need to understand the client's industry, their business requirements, and how IBM solutions will help them.
- Remember to remain objective.
- Take time to ask your clients about the business value IBM brings to their business. It then becomes knowledge for you to use to improve and exceed your client's expectations.

Employ the following principles to help understand your client:

- Ethical business practices provide lucrative returns for both you and IBM
 - Clients appreciate honesty.
 - Establish a clear and detailed roadmap with the client and explain the process that will be followed to overcome the issues. Verify that the client knows what needs to be done at each step of the way.
- Know your competitors well
 - It is crucial to understand and identify what the competitor is doing to appeal to these clients. Then use that information to your advantage.

- **Do not assume that clients have a good understanding of the business value of IBM solutions**
 - It is safer to assume that explanations of IBM solutions and the business benefits are necessary.
 - Provide clients with adequate information, demonstrations, and references of IBM solutions.
- **Make specific commitments to your client and exceed on your promises**
 - It is critical to inform the client as soon as possible if something prohibits you from keeping your commitment to the client.
 - Clients appreciate honesty.

- **Identifying Client Pain Areas**
 - Discuss with your client the problem that they want to solve (Where can we help the client?)
 - Discuss with the client what is keeping them from reaching their goals or causing their company problems.
 - The goal is to identify pain areas to maximize the client's satisfaction and generate as much revenue as possible from the client.

- Identifying the client's intended strategic direction and business goals using the Signature Selling Methodology (SSM)
 - Signature Selling Methodology:
 - Is Team IBM's common approach to client interactions
 - Helps On Demand Business sellers create value for their clients
 - Is designed to supplement and compliment (not replace) the skills and selling systems of Team IBM
 - Re-enforces the planning, executing, and managing of sales through seven selling stages.
 - Here are the SSM stages that are used as “reference points” to show where the client is in their buying process and where IBM is in their selling process:
 1. Clients evaluate their business vision, environment, and strategies
 2. Clients refine their business strategies and initiatives
 3. Team IBM must establish the business capabilities and qualify the opportunity further while the client evaluates options

- **Mapping of IT solutions in line with set business goals**
 - IT solutions are considered and bought only if it is in line with company's business objective and can provide the organization a competitive edge in the marketplace.
 - Team IBM should have a clear understanding of the following areas before recommending the appropriate IBM solution:
 - Company's vision
 - Company's primary business goals and objectives
 - Company's key operating goals and initiatives for the current year
 - The business unit goals and objectives
 - Timeframe for implementation completion

- Once the seller understands, he or she should assemble a team within IBM that is knowledgeable and has experience in resolving similar client business challenges.
- Smart growth and better use of technology to directly support the company's needs give the On Demand Business seller the chance to identify additional opportunities to fulfill client goals.
- If clients are successful by using IBM technology, then IBM will be successful.

- **IBM Technical Resources**

- IBM's help desks and phone support are extensive and invaluable in designing solutions for clients.
- A resource that can provide assistance in your sales cycle is IBM Redbooks Web site.
 - <http://www.redbooks.ibm.com/>
- Consulting an expert within IBM.

- **Proposing the Solution**

- After creating a proposal for how to help solve the client's problem(s), you are ready to present a low level presentation of the solution to the client.
- Your proposal must consist of all hardware, software, and service pieces that you consider crucial to the solution.
- IBM has many options for you to consider as part of your final solution.
- Use both your knowledge of the solution to assemble your proposal and your knowledge of the client.
- Choose and highlight pieces of the solution that are most crucial to solving the client's problem.

- **Identifying Costs, Responsibilities, and Critical Factors**
 - Identifying the associate costs for hardware, software, services, and maintenance
 - Determining who is responsible for implementing these technology pieces
 - Identifying the critical factors associated with integrating all of these pieces

- **Following the On Demand Business Roadmap**
 - It is important that the seller schedules meetings with the client and Team IBM to determine the client's business requirements, where the client is on the On Demand Business roadmap, and where they want to go.
 - Team IBM can resolve the client's business issues in line with their business transformation, business processes, or on demand operating environment.
 - Where the client enters the On Demand Business roadmap and where they want to take their business determines the appropriate solution.

- **Preparing the Proposal**

- The seller should create proposals that demonstrate to the client that IBM understands:
 - The business problems they are trying to solve
 - The solution being proposed will solve those problems
- This skill includes the ability to perform the following activities:
 - Develop an effective proposal strategy that responds to client requirements, issues, and priorities. The strategy should also address IBM's strengths and reflect an understanding of the client's conditions of satisfaction and fulfillment.
 - Create proposal content that implements the proposal strategy and is easy to understand. This includes the effective use of techniques (theme statements, visuals, summaries, etc.).
 - Create a professional document that presents a positive branding image and is easily recognizable as an IBM proposal.

- You should make business proposals “client-centric”. “Client-centric” means the client should feel the proposal is written to them rather than down to them. The whole proposal should revolve around client needs.
- Here are some questions to help you write a proposal that places the client in the center:
 - What is the business challenge?
 - State the client’s business issue(s). You shouldn’t proceed unless you can.
 - What does this business issue need for us to resolve it?
 - With the client, determine the reasons for seeking a solution for their business challenges.

- What business goals must be accomplished?
 - Strategic goals
 - Business goals
 - Technical goals
- What business challenges have the highest priority?
 - You should document all of your client's issues and objectives. Then make a list ranking the top five in order of priority, then write your response based on the list.
- What products or services can achieve these goals?
 - Use Team IBM and industry and technical resources to map (in a client friendly manner) the client's goals with the recommended IBM solution.

- What results can follow each of your recommendations?
 - The recommended solution needs to be verified with credibility.
 - Try to avoid using absolute statements in your proposal because a proposal is a legally binding document. Try covering these areas:
 - » Why the technical resources that you are recommending are the best qualified to implement the recommendations in the proposal
 - » How the recommendation(s) help the client attain their most important goals
 - » Barriers to implementing the recommendations
 - » IBM client references who have successfully implemented the recommended solution
 - » The costs involved in achieving the client's goals and the estimated project timeframes
 - » The consequences if the client chooses not to act on these recommendations in the proposal
 - After completing the proposal, step back and make sure it is clear.
 - Try to write the first draft of the proposal well before the delivery deadline date. Then re-read it to see which parts are clear and need to be re-written.
 - After sending the proposal, solicit to the client for feedback.

- **Presenting Finance Alternatives (If required)**
 - Financing frees up client's capital for other investments.
 - Clients look for service at the lowest possible cost and the highest return on investment (ROI).
 - IBM Global Financing is one of IBM's most powerful weapons. IBM Global Financing:
 - Offers benefits that few rivals can compete against.
 - Enables clients to pay for their new technology in affordable, monthly payments during the life of the project.
 - Offers financing for the full range of IBM and non-IBM hardware, software, and services.
 - Finances refurbished IBM hardware.
 - Works directly with clients and with IBM Business Partners to provide financing for their clients and to help them build their own businesses.
 - Assists and provides solutions in asset management, leasing and lending, international financing, and remarketing or refurbishing.

- **Responding to Common Client Objections**
 - By properly identifying the opportunity and involving the Sales Support Center, the odds of delivering a solution to the client's satisfaction increase dramatically.
 - To overcome client's objections, leverage IBM's own global transformation experience.
 - If you can't address a client's objections, contact IBM Sales Support Center (SSC) for assistance.

| Objection | What to do or say |
|---|--|
| When I do business with IBM, it's like doing business with 160 different companies. | In the past, IBM had a cumbersome global sales process. However, that process has been extensively refined and streamlined so that clients can work with a single opportunity owner. |
| The account team in the United States promised us that certain capabilities would be available worldwide, but the IBM specialist we spoke with at our European headquarters said that the capability was not available there. | Some services capabilities may not be readily available in all countries (regions), but IBM will make every effort to meet global clients' requirements by obtaining resources from other countries (regions) or subcontracting to IBM Business Partners. |
| Your prices vary from country to country (region to region) for essentially the same product. | Tariffs, taxes, labor rates, import duties, and other cost variables account for pricing differences. The SSC can help in explaining these differences to your client. |
| Does my company have to order IBM products within the country (region) that they will be used? | IBM has a centralized ordering process available. You can order your products centrally, but they will be purchased locally to ensure that your warranties and service are intact. |
| Will I get consistent service levels internationally? | IBM has developed a world-class service organization and has a worldwide set of services offerings available. There may be instances where service delivery varies. Just as in remote areas of your own country (region), remote areas around the world may not deliver service in exactly the same way. Be sure to review any variances with the client in advance. |
| Why can't I buy the products at my headquarter locations and then ship them internationally to other locations? | This sounds like a simple solution but actually creates numerous problems. This may void warranty service by transporting products out of the country (region) in which they were purchased. Additionally, excessive import duties and shipping charges may be incurred. |
| My company has been operating locally forever and it seems to work. The last thing I want to do is have one central IT office that makes decisions for the entire global organization. | Although a centralized IT structure may not be wanted, perhaps having common systems globally would be an advantage. In this situation, each IT infrastructure is managed locally, but they all use the same components. This can help control pricing and streamline services. |

Responding to the Competition

- Competition can help your sales in 2 ways:
 - It is easier to get a decision from clients when they have a choice between solution A and solution B rather than between solution A and nothing.
 - Competition helps to keep you prepared, so your selling can actually improve.
- Here are ways to put your competition to work for you and beat them at the game of business:
 - Learn your solution well
 - Identify the weaknesses of your competitors
 - Determine your vulnerable spots
 - Expect disagreements and objections
 - Leverage your competitor's strength
 - Know what makes your client buy
 - Be enthusiastic and self confident
 - Improve your closing techniques
 - Learn from the mistakes of others
 - Be on the lookout for good ideas

What You Have Learned

- The business investment priorities and drivers
- How to identify opportunities and turn them into leads
- Which industries have an On Demand Business opportunity
- How to set the client expectation of business value with IBM solutions
- How to respond to the competition